

Eris's Corporate Governance Implementation Status in 2021

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. The information has been disclosed on the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, Legal Department, to handle shareholders’ suggestions, doubts, disputes and litigation. The Finance & Shared Services Division is responsible for collecting the updated information of major shareholders and the list of ultimate owners of those shares. Rules are made to strictly regulate the activities of trading, endorsement and loans between the Company and its affiliates. In addition, the “Criteria of Internal Control Mechanism for a Public Company”, outlined by the Financial Supervisory Commission when drafting the guidelines for the “Supervision and Governance of Subsidiaries”, was followed in order to implement total risk control with respect to subsidiaries. To protect shareholders’ rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.	None
3. Composition and Responsibilities of the Board of Directors	✓			None

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(1) Does the Board develop and implement a diversified policy for the composition of its members?			Member diversification is considered by the Board members. Factors considered include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. The Board objectively chooses candidates to meet the goal of member diversification.	
(2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?			The company has set up a Compensation Committee and an audit committee to strengthen corporate governance functions. To enhance the functions of the board of directors and functional committees, clearly define performance goals to improve operational efficiency. In the future, various other functional committees will be added according to the needs of the company's operation scale.	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?			<p>The company has formulated rules and procedures for evaluating the Board’s performance and conducts it annually. The Company uses two methods to evaluate the performance of the Board.</p> <p>1. Self-assessment of Board members</p> <p>Board members fill in the” Self-Assessment Questionnaire for Board Members” at the end of each year. To evaluate the performance of each members effectively, the questionnaire</p>	

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(4) Does the company regularly evaluate the independence of CPAs?			<p>contains the following factors:</p> <p>A. Their grasp of the Company's goals and missions;</p> <p>B. Their recognition of director's duties;</p> <p>C. Their degree of participation in the Company's operations;</p> <p>D. Their management of internal relationships and communications;</p> <p>E. Their professionalism and continuing professional education;</p> <p>F. Internal controls.</p> <p>2. Assessment of the Board:</p> <p>The Secretary Office of the Board conducts the assessment of the Board’s performance. The following aspects are taken into consideration:</p> <p>A. The degree of participation in the Company's operations;</p> <p>B. Improvement in the quality of decision making by the Board of Directors;</p> <p>C. The composition and structure of the Board of Directors;</p> <p>D. The election of the directors and their continuing professional education. E. Internal controls.</p> <p>The Company evaluates the independence of CPAs annually, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company.</p>	
4. Has the TWSE/TPEX listed company been equipped with competent and appropriate numbers of corporate governance personnel, and designated a CGO responsible for corporate	✓		<p>Since the company's paid-in capital is less than NT\$2 billion, according to this standard, the company has not met the need to set up a corporate governance committee. Therefore, at this stage, the chairman's office is responsible for corporate governance-related affairs in order to improve the operational efficiency of the organization.</p>	

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governance-related affairs (including but not limited to providing directors and supervisors with the information required for business execution, assisting directors and supervisors with legal compliance, handling matters related to board meetings and shareholders meetings in accordance with the law, and producing meeting minutes for board of directors’ meetings and shareholders meetings)?			<p>The corporate governance-related matters in the preceding paragraph shall include the following:</p> <ol style="list-style-type: none"> (1) Handle matters related to the meetings of the board of directors and the shareholders' meeting in accordance with the law. (2) To prepare the minutes of the board of directors and shareholders' meetings. (3) To assist directors in taking office and continuing their education. (4) Provide the information required by the directors to execute their business. (5) Assist directors to comply with laws and regulations. (6) Other matters stipulated in the articles of association or contracts of the company. <p>The execution of the Company's corporate governance-related business in 2021 is as follows:</p> <ol style="list-style-type: none"> 1. Formulate the meeting agenda of the board of directors, audit committee, and compensation committee, and prepare meeting materials; if the content of the agenda is related to stakeholders, remind the counterparty to avoid interests in advance. In 2021, 7 meetings of the Board of Directors, 7 meetings of the Audit Committee, and 2 meetings of the Remuneration and Compensation Committee were held. Please refer to the description on pages 16-25 of this annual report for details of the holding of the above meetings. 2. Due to the COVID-19 new crown pneumonia epidemic, the shareholders' meeting was held on August 11, 2021 according to the statutory deadline, and the shareholders' meeting was assisted. 3. Responsible for the announcement of important information of the important resolutions of the board of directors and the shareholders' meeting, and release important information according to law. 4. Arrange all directors, company managers and other insiders to conduct a 6-hour course. The topics of the course are "Business Opportunities for Third-Generation Semiconductor Power Components Technology 	

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			Application" and "Development Trends and Application Business Opportunities for Electric Vehicles and Battery Systems". 5. Arrange for independent directors to communicate with the internal audit supervisor and certified accountants at the quarterly audit committee meeting. 6. Handle the performance evaluation of the 2021 annual board of directors, and report the performance evaluation results to the board of directors on February 24, 2022 and upload it to the public observatory.	
5. Does the company establish a communication channel and build a designated section on its website for involved parties (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company provides detailed contact information, including telephone numbers and email addresses in the “Stakeholder Area” section of the corporate website. In addition, personnel are in place to exclusively deal with issues of social responsibility, ensuring that various interested parties have channels to communicate with the Company.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates KGI Securities Co. Ltd. Registrar Dep. to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English	✓		The Company has set up a Chinese/English website (www.ERIS.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status. The company's website contains information in both Chinese and English, and the responsible unit is responsible for the collection	None

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<p>website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial report for the first, second and third quarters and the operating conditions of each month before the specified deadline?</p>			<p>and disclosure of company information.</p> <p>Set up spokespersons and acting spokespersons, and implement the spokesperson system.</p> <p>Regular and irregular corporate briefings are held and disclosed on the company's website and the exchange's audio-visual communication network.</p> <p>The company is currently reporting financial reports and monthly operations in accordance with the specified date of "Occupational Listed Companies"; the company has announced and reported the annual financial report within two months after the end of the fiscal year, and announced the annual financial report before the specified deadline. quarterly financial report. Important financial figures and XBRL information will be announced on the day the board of directors approves the financial report, and the complete financial report e-book will be announced on the next day.</p>	
<p>8. Does the company have other important information that is helpful to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, risk management) The implementation of policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)?</p>	✓		<p>1. Employee rights and employee care: Set up an employee welfare committee, implement a pension system to protect the rights and interests of employees, and hold quarterly labor-management meetings to coordinate labor-management relations. The company also plans employee group insurance, regular health checks, and conducts various employee education and training. The company attaches great importance to the physical and mental health and learning and development of each employee.</p> <p>2. Investor Relations: The main task of the company's investor relations department is to provide global investors with the latest company information. Investors learn about the latest developments and decision-making motives of the company through the Investor Relations Department.</p>	None

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			<p>The main purpose is to strengthen the communication between the company and investors, increase the transparency of finance and corporate governance, and build a good corporate image.</p> <p>3. Situation of directors' further education: please refer to the description on page 23 of this annual report.</p> <p>4. Implementation of risk management policies and risk measurement standards: All major proposals are submitted to the board of directors for approval, and internal audits are carried out.</p> <p>5. Implementation of consumer or customer protection policy: Implement quality policy in accordance with ISO standards. Situation and social responsibility of the company to purchase liability insurance for directors and supervisors: The directors of the company adhere to the principle of integrity management, and there is no lawsuit or illegal behavior, and have purchased liability insurance for directors and independent directors (please refer to page 23).</p> <p>6. Code of Conduct for Directors and Managers, Code of Conduct for Employees (please refer to pages 34-35)</p> <p>7. Supplier relationship: In order to maintain the company's long-term advantages in new technology research and development, quality control and price competition, and sufficient supply, and to provide green products that meet energy conservation and environmental protection, and on the basis of integrity, audit and management of suppliers are carried out to confirm that suppliers are in compliance with various environmental protection treaties and social responsibilities, we can continue</p>	

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			<p>to provide products that meet the company’s standards and have competitive prices. The company will continue to uphold the spirit of mutual trust and mutual benefit for suppliers, in order to grow together with Eris and create Win-win.</p> <p>8. Rights of interested parties: Depending on the situation, the company instructs the departments including investor relations, public relations, stock affairs, legal affairs and other departments to communicate with stakeholders, and there are spokespersons and contact information for relevant business departments on the company's website.</p>	
<p>9. Please explain the improvement situation in the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority enhancements and measures for those who have not yet improved.</p> <p>★ In 2021, in line with business needs and laws and regulations, the company will revise the company's "Procedures of the Board of Directors", "Organization Regulations of the Audit Committee", "Organization Regulations of the Compensation Committee", "Management Procedures for Preventing Insider Trading", etc.</p> <p>★ In 2021, in order to establish performance goals and strengthen the operation efficiency of the board of directors, according to the company's board of directors' performance evaluation method, an internal board performance evaluation will be completed before the end of the first quarter of the next year, and it will be reported in the board of directors, and uploaded to the public observatory and annual report.</p> <p>★ The company will continue to strengthen efforts to improve the content of the 2021 (company self-assessment) assessment project by the competent authority, so as to meet the requirements of the competent authority on the corporate governance assessment project.</p> <p>★ In 2021, in order to establish performance goals to strengthen the operational efficiency of the board of directors, the actual operation of the audit committee and the annual work focus will be disclosed in the annual report, and the "communication between independent directors, internal audit supervisors, and accountants" will be disclosed in the annual report and the company's website.</p>				

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<p>★ From the preparation of the financial report in the first quarter of 2021, the English financial report by quarterly.</p> <p>★ Starting from January 2021, the company will add an English version to upload announcements when major information is disclosed.</p> <p>★ From the first quarter of 2021, after the company's financial report is approved by the board of directors, the announcement will be uploaded immediately, and the financial report will be announced within one day after the approval.</p> <p>★ The company officially (for the first time) issued the "Sustainable Development (ESG) Report" in order to fulfill the social responsibility of corporate sustainability, and issued this report voluntarily. The competent authority stipulates that companies with a paid-in capital of less than 2 billion that only need to issue by voluntary offerings. The company's report has been uploaded electronically to the public observatory's issuance report, and a corporate social responsibility area has been established on the company's official website. The reporting period is once a year.</p>							
10. Other important information on the operation of corporate governance:							
(1) The company purchases liability insurance for directors, supervisors and managers							
The insurance amount of the company in 2021 is USD 5,000,000, and the important content of insurance coverage will be reported to the board of directors.							
(2) Directors’ and supervisors’ training records:							
	Title	Name	Training hours	Study period		Sponsoring Organization	Course
				From	To		
Directors		Jonathan Chang	6H	2021/10/28	2021/10/28	Securities and Futures Institute	A. Business opportunities for third-generation semiconductor power device technology applications B. Development Trends and Application Opportunities of Electric Vehicles and Battery Systems
		Gary Yu					
		Maxine Lai					
		Patricia Hwang					
Independent directors		Jackie Ding					
		Kun Shan Lin					
		Ed Tang					

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● Operation of risk management The purpose of the company's risk management policy is to discover in advance the risk factors that are sufficient to adversely affect the operation, and after appropriate assessment procedures and processing procedures, the risks can be transformed, reduced, and then the occurrence of losses can be prevented; Changes in the external environment can detect and warn of risks in a timely manner, so that colleagues in various locations around the world can implement risk management in a timely manner within the scope of business. In accordance with the "Public Issuing Companies Establishing Internal Control System Handling Standards" and relevant laws and regulations, the company has established financial, business and accounting management systems, as well as the supervision and management of the subsidiary's financial and business information, as well as credit and funds for affiliated companies. For important risk matters such as loan and endorsement guarantee, acquisition and disposal of assets, relevant management policies, risk measurement standards and handling procedures are formulated for all employees to conduct risk assessment, review and management operations in accordance with their operating procedures; In the business unit, there are also full-time personnel responsible for the relevant risk management operations to control, reduce and prevent the company's various risks.				